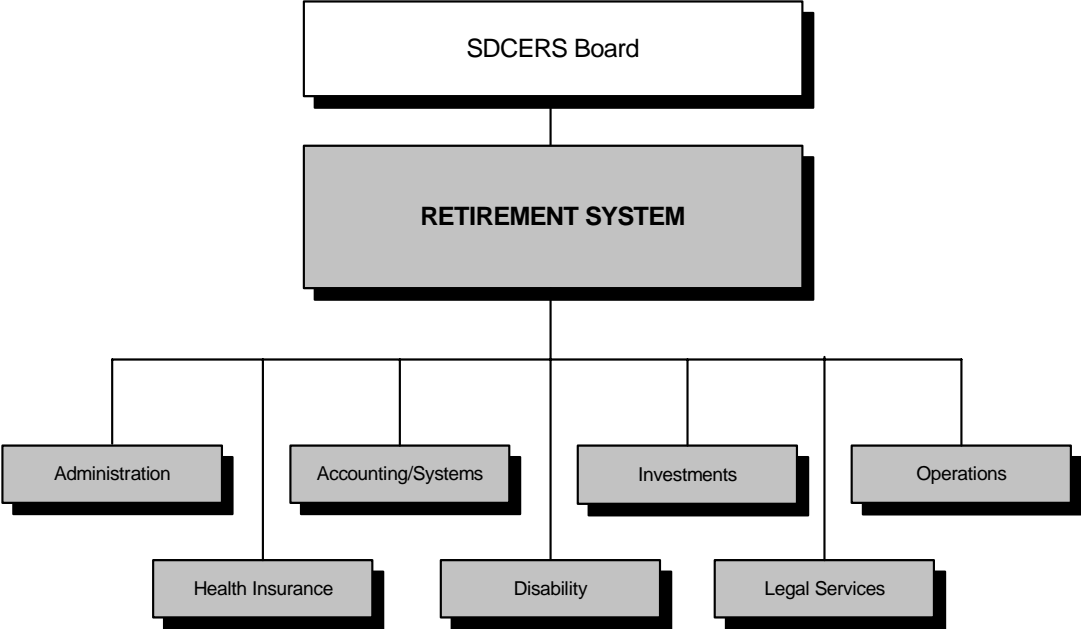


City Retirement Office



To continually deliver accurate and timely benefits through prudent administration and safeguarding of the San Diego City Employees' Retirement System, while insuring the fund's maximum safety, integrity and growth.



City Retirement Office

Department Description

The San Diego City Employees' Retirement System (SDCERS) invests, manages and administers the \$2.6 billion Retirement Pension Plans for General Members, Safety Members, and Legislative Officers of the City of San Diego. In addition, the employees of the San Diego Unified Port District are members of SDCERS by virtue of a contractual agreement entered into by the City of San Diego and the Port District in 1963.

Milestones Met/Services Provided

Since the inception of SDCERS' 74 years ago, membership and number of retirees have continued to grow. During Fiscal Year 2002, SDCERS processed 1,385 purchase of service credit contracts; completed 596 service and disability retirements and 460 Deferred Retirement Option Plan (DROP) applications; hosted 18 pre-retirement seminars; provided information at 26 new employee orientations; and advised members in 1,440

counseling sessions. Services provided to members, retirees, and beneficiaries are expected to increase during Fiscal Year 2003.

Future Outlook

Prudent and excellent investments along with consistently high quality customer service to all active and retired members of the SDCERS and their beneficiaries remain the goals of the Retirement System. SDCERS recently received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for its Annual Financial Report for the fiscal year ended June 30, 2000. In the coming year, SDCERS will be improving its retirement record keeping system with the installation of a new computer system known as Pension Gold. In addition, a SDCERS website is scheduled to be operational during the next fiscal year.

Significant Budget Adjustments

City Retirement Office	Positions	Cost
Personnel Expense Adjustments	0.00	\$ 258,375

Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.

City Retirement Office			
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED ⁽¹⁾
Positions	47.00	50.00	50.00
Personnel Expense	\$ 2,684,085	\$ 3,906,409	\$ 4,164,784
Non-Personnel Expense	<u>16,221,902</u>	<u>16,435,473</u>	<u>16,435,473</u>
TOTAL	\$ 18,905,987	\$ 20,341,882	\$ 20,600,257

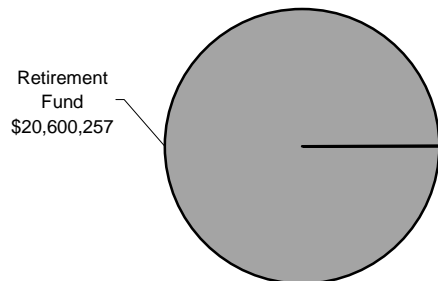
Department Staffing	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED ⁽¹⁾
RETIREMENT FUND			
City Retirement Office	<u>47.00</u>	<u>50.00</u>	50.00
Total	47.00	50.00	50.00

Department Expenditures	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED ⁽¹⁾
RETIREMENT FUND			
City Retirement Office	<u>\$ 18,905,987</u>	<u>\$ 20,341,882</u>	\$ 20,600,257
Total	\$ 18,905,987	\$ 20,341,882	\$ 20,600,257

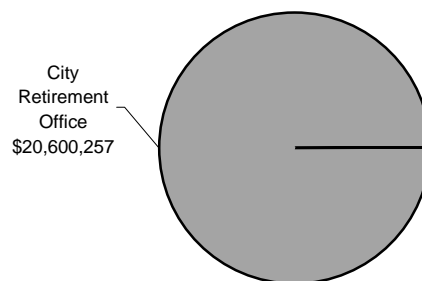
⁽¹⁾The proposed budget for the City Retirement Office was not available in time for publication. The proposed expenditure shown contains only limited changes from Fiscal Year 2002 and will be updated for the Fiscal Year 2003 Final Budget.

City Retirement Office

Source of Funding



Allocation of Funding



Division/Major Program Descriptions

Administration

The Administration Program provides for general management of the overall policy direction, coordination, and planning of the SDCERS. Staff provides timely input to the Retirement Board of Administration in making member benefit, administrative policy and investment decisions. The Administration Program also provides for actuary services, travel and training expenses, consulting services, strategic planning, and performance surveys. The departmental budget is funded through the Undistributed Earnings Reserve of the SDCERS. Upon City Council approval of this budget, the Retirement Board will appropriate the necessary funding from the reserves.

Accounting/ Systems

The Accounting/Systems Program audits retirement functions as directed by the Retirement Administrator, conducts compliance audits of benefits administration including audits of benefit calculations and monthly retirement allowances, administers the bi-weekly retirement contribution process, prepares and monitors the department budget, and manages special projects and data processing services. The program is also the project lead for all new systems development, including the Membership Benefits system. It coordinates and supports all actuarial data requirements and acts as the Unified Port District primary point of contact.

Disability

The Disability Program is responsible for processing all disability applications and preparing reports for the Retirement Board recommending approval or denial of applicant disability applications. The program provides monthly reports related to the status of all pending disability cases. It also coordinates and represents the Retirement System at all disability pre-hearings and hearings.

Division/Major Program Descriptions (continued)

Health Insurance

The Health Insurance Program is responsible for administering the post-retirement health insurance benefits for the City of San Diego retirees, administering the annual open enrollment process, making premium payments to the carriers and answering retirees' questions concerning health insurance benefits and the various plans offered.

Investments

The Investments Program is responsible for conducting the day-to-day investment and corporate governance functions in accordance with the Retirement Board's adopted investment policies and procedures; negotiating contracts with, reviewing performance of, and maintaining positive relationships with external money managers, consultants and other investment service providers; managing cash flows between the Retirement System, external money managers, the City and other parties; researching, analyzing, and recommending investment alternatives to the Investment Committee and/or Retirement Board; monitoring investment activity of money managers and the custodial bank; and preparing general ledgers and financial statements of the Trust Fund.

Legal Services

The Legal Services Program is responsible for providing legal advice and assistance to the Retirement Board and staff in the areas of trust, tax, contracts, community property, benefit interpretation and eligibility, investments, corporate governance and fiduciary responsibility; drafting legal documents such as ordinances, resolutions, contracts, rules and pleadings; coordinating the use of outside counsel; and representing the Retirement Board and/or staff in all legal proceedings to which the Retirement Board is a party.

Operations

The Operations Program is responsible for calculating retirement, survivor, and death benefits; processing enrollment documentation of new members; maintaining records of all active and retired members; and calculating and processing all member termination refunds for City of San Diego and Unified Port District employees. This program provides counseling sessions on service retirement, disability retirement, reciprocity, Deferred Retirement Option Plan (DROP) Program and purchase of service credits. The program also provides pre-retirement counseling and planning for members of the Retirement System; administers the members' health insurance benefits and produces a quarterly newsletter that is sent to all members and retirees.

City Retirement Office

Salary Schedule

RETIREMENT FUND

City Retirement Office

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1104	Account Clerk	1.00	1.00	44,540	44,540
1106	Senior Management Analyst	1.00	1.00	82,619	82,619
1107	Administrative Aide II	1.00	1.00	57,969	57,969
1218	Associate Management Analyst	11.00	11.00	73,969	813,659
1255	Benefits Representative I	2.00	2.00	45,140	90,280
1348	Information Systems Analyst II	1.00	1.00	73,120	73,120
1416	Employee Benefits Admin	1.00	0.00		0
1535	Clerical Assistant II	10.00	10.00	41,623	416,226
1577	Legal Secretary	1.00	1.00	59,965	59,965
1598	Legal Assistant	2.00	2.00	69,630	139,260
1801	Retirement Assistant	5.00	5.00	52,713	263,565
1822	Senior Legal Assistant	1.00	1.00	77,599	77,599
1842	Accountant II	1.00	1.00	68,975	68,975
1876	Executive Secretary	2.00	2.00	60,381	120,762
1917	Supervising Management Analyst	2.00	2.00	90,603	181,206
2119	Assistant Retirement Admin	1.00	1.00	168,252	168,252
2180	Retirement Administrator	1.00	1.00	190,214	190,214
2195	Retirement General Counsel	1.00	1.00	183,688	183,688
2196	Asst Retirement General Counsel	1.00	1.00	150,103	150,103
2224	Associate Counsel	1.00	1.00	112,923	112,923
2241	Investment Officer	1.00	1.00	161,597	161,597
2256	Assistant Investment Officer	1.00	1.00	101,676	101,676
2274	Medical Review Officer	1.00	1.00	98,614	98,614
2282	Program Coordinator	0.00	1.00	116,114	116,114
	Ex Perf Pay-Classified				10,500
	Temporary Help				381,358
	Total	50.00	50.00	\$	4,164,784
CITY RETIREMENT OFFICE TOTAL		50.00	50.00	\$	4,164,784

Five-Year Expenditure Forecast

	FY 2003 PROPOSED	FY 2004 FORECAST	FY 2005 FORECAST	FY 2006 FORECAST	FY 2007 FORECAST
Positions	50.00	50.00	50.00	50.00	50.00
Personnel Expense	\$ 4,164,784	\$ 4,289,728	\$ 4,418,419	\$ 4,550,972	\$ 4,687,502
Non-Personnel Expense	<u>16,435,473</u>	<u>16,928,537</u>	<u>17,436,393</u>	<u>17,959,485</u>	<u>18,498,270</u>
TOTAL EXPENDITURES	\$ 20,600,257	\$ 21,218,265	\$ 21,854,812	\$ 22,510,457	\$ 23,185,772

Fiscal Year 2004 - 2007

No major projected requirements.

